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花 樣 年

FANTASIA

Fantasia Holdings Group Co., Limited

花樣年控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1777)

EXEMPTED CONNECTED TRANSACTION DISPOSAL OF SUBSIDIARY

The Board announces that on 14 April 2021, the Vendor, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with the Purchaser pursuant to which the Purchaser agreed to acquire from the Vendor the entire equity interest in the Target Company for a consideration of RMB30,199,900.

The Target Company is an insurance broker established in the PRC.

The Purchaser is a subsidiary of Colour Life. Colour Life is a connected subsidiary of the Company for the purpose of Chapter 14A of the Listing Rules and the entering into of the Share Transfer Agreement constitutes a connected transaction for the Company.

As the applicable percentage ratios in respect of the Disposal are over 0.1% but less than 5%, the Disposal is subject to the notification and announcement requirements and exempted from the requirement of independent shareholders' approval under the Listing Rules.

THE SHARE TRANSFER AGREEMENT

On 14 April 2021, the Vendor, a wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement with the Purchaser. The salient terms of the Share Transfer Agreement are summarised below:

Subject matter

The Purchaser will acquire from the Vendor the entire equity interest in the Target Company.

Consideration

The consideration for the Disposal is RMB30,199,900, which was determined by the parties after arm's length negotiations with reference to (i) net asset value of the Target Company as at 31 December 2020; (ii) the valuation by using asset approach, the 100% equity interest of the Target Company prepared by an independent valuer of RMB30,199,900; and (iii) the financial performance, business development plans and prospects of the Target Company.

The consideration will be payable by the Purchaser in the following manners:

- (i) RMB9,059,970, representing 30% of the consideration, will be payable within 10 business days after the Purchaser completing the due diligence on the Target Company;
- (ii) RMB9,059,970, representing 30% of the consideration, will be payable within 10 business days after completion of the registration of the equity transfer with the administrative department for industry and commerce; and
- (iii) the balance RMB12,079,960, representing 40% of the consideration, will be payable within 10 business days after the hanging over of the Target Company to the Purchaser in accordance with the terms of the Share Transfer Agreement.

The Target Company

The Target Company is an insurance broker established in the PRC in 2004. It possesses the insurance license to engage in the insurance intermediate business.

The net asset value of the Target Company as at 31 December 2020 was approximately RMB30,177,000. Financial results of the Target Company for the two years immediately preceding the date of the Share Transfer Agreement are as follows:

	For the year ended	
	31 December	
	2019	2020
	(audited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net profit before tax	231	960
Net (loss)/profit after tax	(372)	1,064

After completion of the Disposal, the Company will cease to have any direct interest in the Target Company and the Target Company will be accounted as a subsidiary of Colour Life.

As Colour Life is also a subsidiary of the Group, the Disposal is not expected to give rise to any gain on disposal for the Company. The Directors currently intend to apply the proceeds from the Disposal as general working capital of the Company.

REASONS FOR THE TRANSACTION

The Disposal is part of the Company's strategic plan to reorganise its business to improve efficiency and effectiveness of business operation. The transfer of the Target Company to Colour Life is expected to enhance the services and business offering of Colour Life and providing synergy between the insurance brokerage business and the property management business of Colour Life.

The Directors (including the independent non-executive Directors) consider that the Share Transfer Agreement was concluded after arm's length negotiations under normal commercial terms, the terms of which are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands and is principally engaged in the business of property development, lease of investment properties, property agency services, property operation, provision of hotel management and travel agency service.

The Vendor

The Vendor is a limited liability company established in the PRC and is principally engaged in the management and maintenance of application system relating to finance industry, development of banking and finance software and provision of data processing services. It is a wholly-owned subsidiary of the Company.

The Purchaser

The Purchaser is a limited liability company established in the PRC and is principally engaged in the leasing of self-owned property, real estate brokerage, development of computer software and operational internet information services. It is a wholly-owned subsidiary of Colour Life. Colour Life is a non-wholly owned subsidiary of the Company. The shares of Colour Life are listed on the main board of the Stock Exchange (stock code: 1778). Colour Life and its subsidiaries are principally engaged in the provision of property management services, engineering services and community leasing, sales and other services.

IMPLICATIONS UNDER THE LISTING RULES

The Purchaser is a subsidiary of Colour Life. Colour Life is a 51.98% owned subsidiary of the Company. As Splendid Fortune Enterprise Limited, a company which is 67.36% owned by Fantasy Pearl International Limited, a company owned by two executive Directors, Ms. Zeng Jie, Baby and Mr. Pun Jun as to 80% and 20%, respectively, holds approximately 15.41% of the shares of Colour Life, Colour Life is a connected subsidiary of the Company for the purpose of Chapter 14A of the Listing Rules and the entering into of the Share Transfer Agreement constitutes a connected transaction for the Company.

As the applicable percentage ratios in respect of the Disposal are over 0.1% but less than 5%, the Disposal is subject to the notification and announcement requirements and exempted from the independent shareholders' approval requirement under the Listing Rules.

Mr. Pan Jun and Mr. Chen Xinyu are executive directors of Colour Life, and Ms. Zeng Jie, Baby is interested in the shares of Colour Life. Accordingly, each of Mr. Pan Jun, Mr. Chen Xinyu and Ms. Zeng Jie, Baby are considered to have a material interest in the Disposal and have abstained from voting on the board resolutions of the Company for approving the Share Transfer Agreement.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company;
“Colour Life”	Colour Life Services Group Co., Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Company”	Fantasia Holdings Group Co., Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, the controlling shareholder of the Company;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
”Disposal”	the sale of the entire equity interest in the Target Company by the Vendor to the Purchaser;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“PRC”	the People’s Republic of China;
“Purchaser”	深圳市彩生活網路服務有限公司 (Shenzhen Colour Life Network Services Co., Ltd.*), a company established in the PRC and a wholly-owned subsidiary of Colour Life;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share Transfer Agreement”	the agreement dated 14 April 2021 between the Vendor and the Purchaser;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	深圳市中安信保險經紀有限公司 (Shenzhen Zhonganxin Insurance Broker Co., Ltd.*), a company established in the PRC and a subsidiary of the Company as at the date of this announcement;
“Vendor”	深圳市前海花樣年金融服務有限公司 (Shenzhen Qianhai Fantasia Financial Services Co., Ltd.*), a company established in the PRC and a subsidiary of the Company; and
“%”	per cent.

By order of the Board
Fantasia Holdings Group Co., Limited
Pan Jun
Chairman

Hong Kong, 14 April 2021

As at the date of this announcement, the executive Directors are Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Ke Kasheng, Mr. Zhang Huiming and Mr. Chen Xinyu; the non-executive Director is Mr. Liao Qian; and the independent non-executive Directors are Mr. Ho Man, Dr. Liao Jianwen, Ms. Wong Pui Sze, Priscilla, JP and Mr. Guo Shaomu.

* for identification purposes only